

July 25, 2000

SUBJECT: Ohio WIC EBT Card Replacement Fee

TO: Sandra Slayton
Midwest Regional Director
Supplemental Food Programs

This is in response to the Ohio WIC Program's request for a policy determination regarding WIC EBT card replacement fees and procedures. Please advise the State agency that refinements and clarifications regarding the issue of EBT replacement card fees and procedures may be necessary as we continue to develop EBT systems.

Two key issues were discussed concerning Ohio's request: 1) charging a WIC EBT card replacement fee, and 2) the replacement of unredeemed WIC food benefits. Considerations effecting our decision include the impact of our policy determination on the Food Stamp Program's EBT efforts. We understand that the Ohio WIC EBT system design and implementation effort is in partnership with the Ohio Food Stamp EBT initiative, and that an estimated 60 percent of the WIC participants in the proposed pilot area are also Food Stamp participants. We are also aware that the headquarters Food Stamp Benefit Redemption Division (BRD) has approved a request by the Ohio Food Stamp Program to charge a participant \$10.00 to replace EBT cards that are lost, stolen, or damaged by the participant after one free replacement. The \$10.00 charge includes the value of a new EBT card and an administrative fee.

In consultation with the Office of the General Counsel (OGC), we have made the following determination regarding WIC EBT card replacement fees and procedures:

Card Replacement Fees

For purposes of Ohio WIC's EBT pilot, the State agency has the option to choose whether or not to charge participants a fee for replacing EBT cards that are lost, stolen or damaged by the participant. If the State agency opts to charge participants a fee, the following applies:

- The fee:
 - ◆ can be imposed only after at least one free replacement;
 - ◆ can not exceed the cost of the EBT card (no administrative fee can be included); and,
 - ◆ can not be deducted from the value of the participant's WIC benefits.
- Procedures must be established and implemented to collect the charges and account for the funds.

- Money collected from participants to cover the actual cost of the EBT card must be reported for WIC purposes as program income.
- The WIC State agency must submit a proposal under the APD process for FNS approval which addresses the fee, the replacement threshold, frequency, and circumstances to which the fee will be applicable.
- Since such policy has a direct impact on WIC participants, the State agency must incorporate the approved EBT card replacement policy in its State agency plan and policy and procedures manual which would necessitate the opportunity for public comment.

Benefit Replacement

If a participant reports a card as lost, stolen, or damaged by the participant, Ohio WIC may choose not to replace current month's benefits remaining on the participant's card. However, it is expected that the participant will be issued a replacement card with all subsequent months' staged food benefits reloaded to the card. Food benefits that have reached the end of a valid period can not be reloaded to a replacement card.

Although current policy allows the State agency to determine whether or not lost or stolen paper food instruments will be replaced, there is an expectation that EBT enables greater accountability in food issuance tracking, and that the EBT system will facilitate integrity in the transfer of value to replacement cards for unredeemed food benefits.

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